



CATTLE COUNCIL OF AUSTRALIA

SUBMISSION

28 June 2021

Farm Management Deposits Scheme
Evaluation Team
Department of Agriculture, Water and the Environment
Via email: FMDS.Evaluation@agriculture.gov.au

Dear Evaluation Team

Re: Evaluation of the Farm Management Deposits Scheme

Cattle Council of Australia (CCA) appreciates that the department has undertaken an evaluation of the Farm Management Deposits Scheme (FMDS) which allows primary producers to set aside pre-tax income in good years to cover low-income years.

CCA understands that this evaluation will assess the extent to which the FMDS is delivering the outcomes as intended and the efficiency of its administration. We acknowledge that the public consultation period for the survey assessing the operation of the FMDS has closed; however, in the interests of ensuring the FMDS remains fit for purpose and provides a suitable mechanism to manage the inherent income fluctuations associated with agricultural production, we request that the government consider undertaking a broader review of the FMDS.

Cattle producers currently utilise the FMDS for a range of situations and recognise it as an important tool for managing funds in their businesses. We would therefore urge the department to consider expanding the scope of the current evaluation to investigate ways to encourage better producer participation, including reviewing eligibility settings, and look at alternative management arrangements for FMDs to cope with difficult climatic or financial situations more effectively.

Cattle producers and specialist agricultural financial advisors have indicated that the FMDS is a highly effective management tool; however, in many cases other finance management strategies are preferable in the current context of modern farming businesses which potentially undermines the effectiveness of the FMDS as intended.

CCA looks forward to further consultation with the department on this important process. If there are any queries or you would like further information, please do not hesitate to contact our office on 1300 653 038 or email cca@cattlecouncil.com.au.

Yours sincerely

Travis Tobin
Chief Executive Officer